

CITY OF GOSNELLS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2003

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CITY OF GOSNELLS
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2003

| | Actual 2003 | Budget 2003 | Actual 2002 |
|--|------------------------|------------------------|------------------------|
| <u>Operating Revenues</u> | | | |
| General Purpose Funding | 27,555,571 | 27,500,744 | 25,459,257 |
| Governance | 77,580 | 40,150 | 80,341 |
| Law, Order and Public Safety | 273,985 | 193,690 | 259,599 |
| Health | 107,856 | 61,670 | 88,585 |
| Welfare and Education | 559,219 | 554,521 | 522,913 |
| Community Amenities | 4,843,722 | 5,614,008 | 4,405,646 |
| Recreation and Culture | 2,266,493 | 2,217,601 | 2,108,096 |
| Transport | 125,070 | 76,600 | 526,084 |
| Economic Services | 937,123 | 770,999 | 798,806 |
| Other Property and Services | 753,414 | 611,700 | 681,113 |
| | \$37,500,033 | \$37,641,683 | \$34,930,440 |
| <u>Operating Expenses</u> | | | |
| General Purpose Funding | 880,675 | 723,689 | 852,894 |
| Governance | 2,774,545 | 2,853,553 | 2,428,851 |
| Law, Order and Public Safety | 1,977,541 | 2,076,773 | 1,909,766 |
| Health | 796,521 | 742,569 | 723,606 |
| Welfare and Education | 1,138,510 | 1,083,632 | 1,016,549 |
| Community Amenities | 6,830,445 | 7,506,782 | 6,327,724 |
| Recreation and Culture | 13,401,744 | 13,311,603 | 12,578,693 |
| Transport | 6,366,370 | 6,096,348 | 5,894,083 |
| Economic Services | 1,042,346 | 1,189,370 | 1,103,859 |
| Other Property and Services | 359,426 | 178,807 | 246,815 |
| | \$35,568,123 | \$35,763,126 | \$33,082,840 |
| <u>Contributions/Grants for the Development of Assets</u> | | | |
| Law, Order and Public Safety | - | 100,450 | - |
| Health | - | - | - |
| Welfare and Education | - | - | - |
| Community Amenities | 1,497,892 | - | 1,735,441 |
| Recreation and Culture | 255,647 | 510,570 | 58,250 |
| Transport | 1,915,579 | 1,870,629 | 2,363,473 |
| Economic Services | 2,007,937 | 3,219,719 | 2,146,864 |
| Other Property and Services | 98,701 | - | 65,225 |
| | \$5,775,756 | \$5,701,368 | \$6,369,253 |

CITY OF GOSNELLS
STATEMENT OF FINANCIAL PERFORMANCE (continued)
For the year ended 30 June 2003

| | Actual 2003 \$ | Budget 2003 \$ | Actual 2002 \$ |
|---|----------------------|----------------------|----------------------|
| <u>Gain/(Loss) on Disposal of Assets</u> | | | |
| Law, Order and Public Safety | - | - | - |
| Health | - | - | - |
| Welfare and Education | - | - | - |
| Community Amenities | - | 2,444,000 | - |
| Recreation and Culture | - | - | - |
| Transport | - | - | - |
| Economic Services | - | - | - |
| Other Property and Services | (144,669) | (277,380) | (66,002) |
| | <u>\$(144,669)</u> | <u>\$2,166,620</u> | <u>\$(66,002)</u> |
| CHANGE IN NET ASSETS RESULTING FROM OPERATIONS | | | |
| | <u>\$7,562,997</u> | <u>\$9,746,545</u> | <u>\$8,150,851</u> |

The above statement should be read in conjunction with the attached notes

CITY OF GOSNELLS
STATEMENT OF CASH FLOWS
For the year ended 30 June 2003

| <u>Cash Flows from Operating Activities</u> | Note | 2003 | 2002 |
|--|-------------|----------------------------|----------------------------|
| <u>Revenues</u> | | \$ | \$ |
| Rates | | 22,983,176 | 21,590,794 |
| Fees and Charges | | | |
| Local Government Property | | 8,752,712 | 8,238,730 |
| Contributions | | 1,570,783 | 5,101,415 |
| Reimbursements | | 265,778 | 470,513 |
| Interest | | 1,868,878 | 1,471,439 |
| Other Income | | 341,691 | - |
| Total Revenues | | <u>\$35,783,018</u> | <u>\$36,872,891</u> |
| <u>Payments</u> | | | |
| Employee Costs | | 14,190,204 | 12,535,432 |
| Utilities | | 1,848,070 | 1,634,703 |
| Insurance | | 932,612 | 730,602 |
| Materials and Contracts | | 9,669,537 | 11,551,885 |
| Other Expenditure | | 1,236,712 | 823,931 |
| Total Payments | | <u>\$27,877,135</u> | <u>\$27,276,553</u> |
| Net Cash generated by Operating Activities | 4 | <u>\$7,905,883</u> | <u>\$9,596,338</u> |
| <u>Cash Flows from Investing Activities</u> | | | |
| Payments for Purchase of Assets | | (15,674,108) | (12,911,639) |
| Proceeds from Sale of Assets | | 1,071,668 | 877,542 |
| Capital Contributions | | | |
| Net Cash used in Investing Activities | | <u>(\$14,602,440)</u> | <u>(\$12,034,097)</u> |
| <u>Cash Flows from Financing Activities</u> | | | |
| Repayment of Debt (Principal) | | - | - |
| Net Cash used in Financing Activities | | <u>-</u> | <u>-</u> |
| <u>Cash Flows from Government</u> | | | |
| Government Grants and Subsidies | | 6,910,102 | 3,682,312 |
| Net Cash provided by Government | | <u>\$6,910,102</u> | <u>\$3,682,312</u> |
| Net increase in cash held | | 213,545 | 1,244,553 |
| Cash position brought forward 1 July | | 31,513,990 | 30,269,437 |
| CASH POSITION 30 JUNE | 6 | <u><u>\$31,727,535</u></u> | <u><u>\$31,513,990</u></u> |

The above statement should be read in conjunction with the attached notes

CITY OF GOSNELLS
STATEMENT OF FINANCIAL POSITION
As at 30 June 2003

| | Note | 2003 \$ | 2002 \$ |
|---------------------------------------|-----------|------------------------------------|------------------------------------|
| <u>Current Assets</u> | | | |
| Cash assets | 6 | 31,727,535 | 31,513,990 |
| Receivables | 7 | 3,640,776 | 3,049,327 |
| Inventories | | 221,956 | 183,371 |
| Prepayments | | 24,723 | 53,951 |
| Total Current Assets | | <u>\$35,614,990</u> | <u>\$34,800,639</u> |
| <u>Non Current Assets</u> | | | |
| Receivables | 7 | 765,620 | 774,400 |
| Property Plant and Equipment | 8 | 64,230,919 | 59,021,294 |
| Infrastructure | 9 | 185,171,217 | 182,268,174 |
| Tools | | 58,057 | 58,057 |
| Contribution - Local Government House | | 15,464 | 15,464 |
| Total non-current Assets | | <u>\$250,241,277</u> | <u>\$242,137,389</u> |
| Total assets | 10 | <u><u>\$285,856,267</u></u> | <u><u>\$276,938,028</u></u> |
| <u>Current Liabilities</u> | | | |
| Payables | 11 | (5,193,649) | (5,196,641) |
| Provisions | 12 | (2,773,375) | (2,624,568) |
| Total Current Liabilities | | <u>(\$7,967,024)</u> | <u>(\$7,821,209)</u> |
| <u>Non Current Liabilities</u> | | | |
| Payables | 11 | (2,331,424) | (1,189,697) |
| Provisions | 12 | (326,290) | (258,649) |
| Total Non Current Liabilities | | <u>(\$2,657,714)</u> | <u>(\$1,448,346)</u> |
| Total liabilities | | <u>(\$10,624,738)</u> | <u>(\$9,269,555)</u> |
| NET ASSETS | | <u>\$275,231,529</u> | <u>\$267,668,473</u> |
| <u>Equity</u> | | | |
| Accumulated Surplus | | 223,815,606 | 215,646,853 |
| Asset Revaluation Reserve | | 31,468,194 | 31,468,194 |
| Reserve Funds | 14 | 14,488,044 | 15,626,112 |
| Town Planning Schemes Reserves | 15 | 5,459,685 | 4,927,314 |
| TOTAL EQUITY | | <u><u>\$275,231,529</u></u> | <u><u>\$267,668,473</u></u> |

The above statement should be read in conjunction with the attached notes

CITY OF GOSNELLS
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2003

| | Note | 2003 \$ | 2002 \$ |
|---|------|----------------------------------|----------------------------------|
| <u>Reserves - Cash Backed</u> | | | |
| Balance B/Fwd 1 July | | 20,553,427 | 19,283,854 |
| Net Movements | | | |
| Reserve Funds | 14 | (1,138,070) | (46,883) |
| Town Planning Scheme Reserves | 15 | 532,374 | 1,512,274 |
| Trust Accounts Reserves | | - | (195,818) |
| | | <hr/> | <hr/> |
| Balance as at 30 June | | \$19,947,731 | \$20,553,427 |
| | | <hr/> | <hr/> |
| <u>Reserves – Non Cash Backed</u> | | | |
| | | <hr/> | <hr/> |
| | | \$31,468,194 | \$31,468,194 |
| <u>Accumulated Surplus</u> | | | |
| Surplus brought forward | | 215,646,852 | 208,765,575 |
| Surplus brought forward - accumulated rounding difference | | 59 | |
| Surplus from operations | | 7,562,997 | 8,150,851 |
| Transfers to/from reserves:- | | | |
| Reserve funds | | 1,138,070 | 46,883 |
| Town Planning Scheme Reserves | | (532,374) | (1,512,275) |
| Trust accounts reserves | | - | 195,818 |
| | | <hr/> | <hr/> |
| Balance as at 30 June | | \$223,815,604 | \$215,646,852 |
| TOTAL EQUITY | | <hr/> \$275,231,529 <hr/> | <hr/> \$267,668,473 <hr/> |

CITY OF GOSNELLS
RATES SETTING STATEMENT 2002/2003

| <u>PARTICULARS</u> | Note | Actual 2002/2003 \$ | Adopted Budget 2002/2003 \$ | Adjusted Budget 2002/2003 \$ |
|---|-------------|------------------------------------|--|---|
| <u>Operating Revenue</u> | | | | |
| General Purpose Funding | | 4,712,463 | 4,535,326 | 4,644,326 |
| Governance | | 77,580 | 40,150 | 60,150 |
| Law, Order and Public Safety | | 273,985 | 193,690 | 215,451 |
| Health | | 107,856 | 61,670 | 95,420 |
| Education and Welfare | | 559,219 | 554,521 | 556,611 |
| Community Amenities | | 4,843,722 | 8,058,008 | 7,287,108 |
| Recreation and Culture | | 2,266,493 | 2,217,601 | 2,324,915 |
| Transport | | 125,070 | 76,600 | 118,600 |
| Economic Services | | 937,123 | 770,999 | 899,999 |
| Other Property and Services | | 916,115 | 653,530 | 666,530 |
| | | 14,819,626 | 17,162,095 | 16,869,110 |
| | | | | |
| LESS | | | | |
| <u>Operating Expenditure</u> | | | | |
| General Purpose Funding | | 880,675 | 723,689 | 796,987 |
| Governance | | 2,774,545 | 2,853,553 | 2,900,327 |
| Law, Order and Public Safety | | 1,977,541 | 2,076,773 | 2,111,718 |
| Health | | 796,521 | 742,569 | 788,245 |
| Education and Welfare | | 1,138,510 | 1,083,632 | 1,113,126 |
| Community Amenities | | 6,830,445 | 7,506,782 | 7,491,386 |
| Recreation and Culture | | 13,401,744 | 13,311,603 | 13,773,305 |
| Transport | | 6,366,370 | 6,096,348 | 6,113,332 |
| Economic Services | | 1,042,346 | 1,189,370 | 1,164,498 |
| Other Property and Services | | 666,797 | 498,017 | 598,351 |
| | | 35,875,494 | 36,082,336 | 36,851,275 |
| | | (21,055,868) | (18,920,241) | (19,982,165) |
| Change in net assets arising from operations | | | | |
| | | | | |
| ADD | | | | |
| Contributions/Grants for the Development of Assets | | 5,775,756 | 5,701,368 | 7,657,881 |
| Loss/(Profit) on the Disposal of Assets | | 144,669 | (2,166,620) | (2,166,620) |
| Write back: | | | | |
| Depreciation | | 6,345,103 | 6,376,240 | 6,376,240 |
| Proceeds of Assets Sold | | 1,074,018 | 3,867,180 | 3,867,180 |
| | | 13,339,546 | 13,778,168 | 15,734,681 |

**CITY OF GOSNELLS
RATES SETTING STATEMENT 2002/2003**

| | Note | Actual 2002/2003 \$ | Adopted Budget 2002/2003 \$ | Adjusted Budget 2002/2003 \$ |
|-----------------------------------|------|---------------------------|--------------------------------------|---------------------------------------|
| LESS | | | | |
| <u>CAPITAL PROGRAMME</u> | | | | |
| Purchase Land and Buildings | | 4,209,911 | 6,584,959 | 8,999,004 |
| Purchase Infrastructure Assets | | 7,828,549 | 14,533,611 | 16,458,166 |
| Purchase Plant and Equipment | | 2,847,095 | 2,765,000 | 2,951,481 |
| Purchase Furniture and Fittings | | 788,554 | 540,626 | 924,916 |
| | | 15,674,109 | 24,424,196 | 29,333,567 |
| <u>OTHER</u> | | | | |
| Transfer to Town Planning Schemes | | 1,702,483 | 995,188 | 995,188 |
| Transfer to Reserves | | 2,994,573 | 7,967,953 | 5,852,953 |
| | | 4,697,056 | 8,963,141 | 6,848,141 |
| ADD | | | | |
| <u>FUNDING SOURCES</u> | | | | |
| Reserves Utilised | | 4,132,643 | 9,957,742 | 7,525,408 |
| Town Planning Schemes | | 1,170,110 | 2,509,000 | 2,906,903 |
| Opening Funds | | 7,514,463 | 3,497,250 | 7,514,463 |
| | | \$12,817,216 | \$15,963,992 | \$17,946,774 |
| RATES LEVIED | | (\$22,843,108) | (\$22,965,418) | (\$22,882,418) |
| Surplus | | \$7,572,837 | \$400,000 | \$400,000 |

CITY OF GOSNELLS
SCHEDULE 1
GENERAL PURPOSE INCOME
For the year ended 30 June 2003

| <u>Rates (excluding minimums)</u> | Actuals | Budget |
|--|-------------------|-------------------|
| | \$ | \$ |
| <u>General Rates</u> | | |
| GRV | 13,990,816 | 13,990,814 |
| UV | 352,386 | 352,385 |
| | | |
| <u>Specified Area Rates (GRV) - Park land maintenance</u> | | |
| The Avenues | 28,337 | 28,220 |
| Sanctuary Waters | 29,721 | 29,480 |
| Brookland Greens | 37,028 | 36,940 |
| Brookland Park | 7,339 | 7,340 |
| | | |
| <u>Concessional Rates (UV)</u> | | |
| Agricultural Rate | 117,363 | 117,362 |
| | | |
| <u>Minimum Rates</u> | | |
| <u>General Rates</u> | | |
| GRV | 7,696,872 | 7,696,872 |
| UV | 5,247 | 5,247 |
| | | |
| <u>Back Rates</u> | | |
| GRV | 49,423 | 41,000 |
| UV | (4,912) | - |
| Specified Area Rates | 161 | - |
| | | |
| <u>Interim Rates/Adjustments</u> | | |
| GRV | 544,287 | 659,758 |
| UV | (16,625) | - |
| Specified Area Rates | 5,668 | - |
| | | |
| Total Rates levied | 22,843,111 | 22,965,418 |
| | | |
| Add - Late payment penalties | 132,746 | 184,000 |
| | | |
| Total Amount made up from Rates | 22,975,857 | 23,149,418 |
| | | |
| <u>Other General Purpose Income</u> | | |
| General (untied) grant | 1,320,307 | 1,323,623 |
| General (untied) roads grant | 859,505 | 826,700 |
| Pensioners' deferred rates interest grant | 35,543 | 40,000 |
| Legal recoveries | 171,285 | 25,600 |
| Search fees | 60,369 | 45,000 |
| Rates administration interest charge | 268,269 | 264,000 |
| Interest on municipal investments | 905,647 | 868,000 |
| Interest on reserve & TPS fund investments | 924,637 | 949,003 |
| Late payment penalties (non rates) | 22,940 | - |
| Other | 11,212 | 9,400 |
| | | |
| Total Other General Purpose Income | 4,579,714 | 4,351,326 |
| Total General Purpose Income | 27,555,571 | 27,500,744 |

SCHEDULE 2
STATEMENT OF RATING INFORMATION
For the year ended 30 June 2003

| | No. of Properties | Valuation \$ | Minimum Rate or c/\$ | YIELD | | | | Total \$ |
|---|-------------------|--------------------|----------------------|-------------------|------------------|------------------------|----------------|-------------------|
| | | | | Rates \$ | Interim Rates \$ | Non Payment Penalty \$ | Back Rates \$ | |
| Gross Rental Valuations | | | | | | | | |
| Residential Improved | 13,675 | 111,856,172 | 7.5050 | 8,394,802 | 475,566 | 91,772 | 40,820 | 9,002,960 |
| Residential Vacant | 563 | 3,737,389 | 12.0090 | 448,823 | 64,016 | 13,998 | 5,266 | 532,103 |
| Commercial Improved | 351 | 30,247,526 | 7.5050 | 2,270,077 | 27,050 | 7,401 | 4,382 | 2,308,910 |
| Commercial Vacant | 34 | 417,615 | 12.0090 | 50,152 | 3,904 | 986 | (561) | 54,481 |
| Industrial Improved | 706 | 23,725,831 | 7.5050 | 1,780,623 | 35,130 | 8,759 | 6 | 1,824,518 |
| Industrial Vacant | 87 | 896,978 | 12.0090 | 107,718 | (793) | 1,616 | 360 | 108,901 |
| Kennel Area Improved | 119 | 924,404 | 7.5050 | 69,377 | 226 | 525 | - | 70,128 |
| Kennel Area Vacant | 1 | 5,800 | 12.0090 | 697 | - | - | - | 697 |
| Rural GRV | 693 | 6,034,977 | 9.0070 | 543,571 | (7,432) | 2,940 | (849) | 538,230 |
| Extractive Industries | 3 | 230,000 | 14.2600 | 32,798 | 214 | 13 | - | 33,025 |
| Residential Development | 201 | 3,114,741 | 9.0070 | 280,545 | (54,218) | 2,056 | - | 228,383 |
| Golf Club | 1 | 155,000 | 7.5050 | 11,633 | 623 | 10 | - | 12,266 |
| TOTALS | 16,434 | 181,346,433 | | 13,990,816 | 544,286 | 130,076 | 49,424 | 14,714,602 |
| Unimproved Valuations | | | | | | | | |
| Rural UV | 234 | 55,811,650 | 0.5480 | 305,849 | (13,760) | 1,462 | (5,047) | 288,504 |
| Rural UV Agricultural Concession | 26 | 26,795,000 | 0.4380 | 117,363 | (783) | 62 | (94) | 116,548 |
| Rural UV Residential Development Concession | 27 | 14,145,000 | 0.3290 | 46,537 | (2,082) | 770 | 228 | 45,453 |
| TOTALS | 287 | 96,751,650 | | 469,749 | (16,625) | 2,294 | (4,913) | 450,505 |
| Minimum Rates | | | | | | | | |
| Residential Improved | 14,644 | 82,349,290 | 477 | 6,985,188 | - | - | - | 6,985,188 |
| Residential Vacant | 1,191 | 3,587,515 | 477 | 568,107 | - | - | - | 568,107 |
| Commercial Improved | 73 | 298,521 | 477 | 34,821 | - | - | - | 34,821 |
| Commercial Vacant | 2 | 1,650 | 477 | 954 | - | - | - | 954 |
| Industrial Improved | 82 | 453,535 | 477 | 39,114 | - | - | - | 39,114 |
| Industrial Vacant | 2 | 40 | 477 | 954 | - | - | - | 954 |
| Kennel Area Improved | 29 | 175,656 | 477 | 13,833 | - | - | - | 13,833 |
| Rural GRV | 110 | 497,209 | 477 | 52,470 | - | - | - | 52,470 |
| Extractive Industry | 1 | 301 | 477 | 477 | - | - | - | 477 |
| Residential Development | 1 | 1,150 | 477 | 477 | - | - | - | 477 |
| Golf Club | 1 | 3,000 | 477 | 477 | - | - | - | 477 |
| Rural UV | 10 | 696,350 | 477 | 4,770 | - | - | - | 4,770 |
| Rural UV Residential Development Concession | 1 | 119,000 | 477 | 477 | - | - | - | 477 |
| TOTALS | 16,147 | 88,183,217 | | 7,702,119 | - | - | - | 7,702,119 |
| Specified Area Rates - GRV * | | | | | | | | |
| Gross Rental Valuations | | | | | | | | |
| The Avenues | 474 | 4,546,336 | 0.006207 | 28,337 | 1,810 | 40 | 198 | 30,385 |
| Lansdowne Park | - | - | - | - | - | 14 | 19 | 33 |
| Sanctuary Waters | 668 | 7,504,604 | 0.003928 | 29,721 | 659 | 111 | (323) | 30,168 |
| Brookland Greens | 498 | 5,028,601 | 0.007345 | 37,028 | 1,724 | 171 | 267 | 39,190 |
| Brookland Park | 239 | 1,568,012 | 0.004681 | 7,339 | 1,476 | 40 | - | 8,855 |
| TOTALS | 1,879 | 18,647,553 | | 102,425 | 5,669 | 376 | 161 | 108,631 |
| TOTAL RATES INCOME | 34,747 | | | 22,265,109 | 533,330 | 132,746 | 44,672 | 22,975,857 |

* These totals not duplicated in total rates levied above

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

1 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of these financial statements are:

a. Reporting Entity

For the purposes of reporting the Local Government as a single unit, all transactions and balances in respect to the Municipal, Reserve and Town Planning Scheme accounts have been consolidated.

Certain moneys held in the Trust Fund have been excluded (see Note 16).

b. Basis of Accounting

The financial statements have been drawn up in accordance with the accounting standards and disclosure requirements of the Australian accounting bodies, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996. They have been prepared on the accrual basis under the convention of historical cost.

c. Employee Benefits

Provision is made in the City's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the City to the Local Government Superannuation Fund, and are charged as expenses when incurred.

d. Superannuation Fund

The superannuation expense for the reporting period is the amount of contributions made to the Local Government Superannuation Fund which provides benefits to Council's employees. Detail of this arrangement is set out in Note 25.

e. Investments

All investments are made in accordance with the Trustee's Act and are valued at cost. Interest revenue on the investments is recognised as it accrues.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

f. Rates, Grants, Donations and Other Contributions

The rating and reporting periods coincide and rates levied for the year are recognised as revenues. All grants, donations and other contributions are recognised as revenues during their reporting period and expenditure of those monies is made in the manner specified under the conditions upon which City of Gosnells received those monies.

g. Stock on Hand

City of Gosnells uses the weighted average cost method in determining the value of stock on hand.

h. Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank, and investments in money market instruments.

i. Depreciation of non-current assets

Property, plant and equipment are brought to account at cost less where applicable any accumulated depreciation. Items of property, plant and equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives on a straight-line basis.

Major depreciation periods for non-current assets other than infrastructure assets are:

| | |
|-------------------------|----------------|
| Buildings | 20 to 50 years |
| Plant | 5 to 10 years |
| Furniture and Equipment | 5 to 15 years |

Major depreciation periods for infrastructure assets are:

| | | | |
|-----------------------|----------------|----------------------|----------------|
| Roads | 20 - 50 years | Car Park Development | 20 - 50 years |
| Drains | 50 - 100 years | Play equipment | 10 - 20 years |
| Park land Development | 20 - 50 years | Street Furniture | 20 - 50 years |
| Bridges | 50 - 100 years | Other Infrastructure | 33 - 100 years |

Only individual items with a value of \$1,000 or more have been capitalised, in accordance with Council's asset management policy.

j. Fixed Assets Values and Revaluations

To comply with the requirements of Australian Accounting Standard AAS 38 "Revaluation of Non Current Assets" the City of Gosnells has elected to value all its fixed assets at cost. All assets previously shown at valuation in prior years have had their net carrying value as at 1 July 2000 deemed to be their cost value. The information included below is supplied to assist the reader in understanding the comparative information.

All land purchased prior to 1 July 1997 has been revalued at current value as supplied by the Valuer General's office using a basis of minimal land value reflecting its restricted community use. All land purchased since that date has been valued at cost.

CITY OF GOSNELLS
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All buildings in situ as at 1 July 1997 are based on Valuer General valuations. The Valuer General's value is derived from the gross replacement (or reproduction) cost of improvements less allowances for physical deterioration and all relevant forms of obsolescence and optimisation. The result is an estimate of value to the undertaking in occupation of a property at valuation date assuming continued operations. The valuation uses a deprival value basis, applying a Depreciated Replacement Costs (DRC) method. All constructions after 1 July 1997 have been valued at cost.

Plant and Equipment was revalued by Council in 1996 using an internal assessment of current market value. Purchases since are valued at cost.

Furniture and Equipment was revalued by Council in 1997 using an internal assessment of depreciated current replacement value. Subsequent purchases have been valued at cost.

Roads & Footpaths in situ as at 30 June 1996 were revalued by Council in 1997 using the Pavement & Road Maintenance Management System (PARMMS), a recognised valuation system provided by Pavement Management Services (NSW), based on internally generated costings.

Roads and Footpaths construction since 1 July 1996 are valued at cost.

Bridges were valued by Council using an internal assessment of insured values.

Drains acquired before 1 July 1996 were valued using the Drainage Asset Management System (DRAMS), a recognised valuation system provided by Huefner & Associates (SA), based on internally generated costings. Subsequent drainage works are valued at cost.

Parks developed prior to 1 July 1996 have been valued by Council using an internal assessment of current market value. Subsequent developments have been valued at cost.

Play equipment purchased prior to 1 July 1996 has been valued by Council using an internal assessment of current market value, subsequent purchases have been valued at cost.

Street furniture purchased prior to 1 July 1996 has been valued by Council using an internal assessment of current market value. Subsequent purchases have been valued at cost.

Other Infrastructure purchased prior to 1 July 1996 has been valued by Council using an internal assessment of current replacement value. Subsequent purchases have been valued at cost.

k. Land under Roads

Land under roads has not been recognised as an asset as at the reporting date.

l. Management Clearing programme

In accordance with changes to the Local Government (Financial Management) Regulations 1996, City of Gosnells has allocated all general administration costs over all programmes on activity based costing principles.

m. Roundings

Amounts shown in the financial report have been rounded to the nearest dollar. This may result in minor variations between schedules.

n. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

with changes in presentation for the current financial year.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

2 COMPONENT FUNCTIONS AND ACTIVITIES

General Purpose Funding

To collect revenue to finance Council activities Rates, government grants and interest revenue collection and administration

Governance

To provide a decision-making process to efficiently allocate scarce resources Administration and operation of facilities and services to members of Council and other costs relating to assistance to members that cannot be specifically allocated

Law, Order and Public Safety

To provide services to ensure a safer community Supervision of by-laws, fire prevention, emergency services and animal control

Health

To provide an operational framework for good community health Enforcement of food quality standards, pest control, immunisation and child health services

Education and Welfare

To assist in meeting the needs of the community Operation of senior citizens' and day-care centres, pre-schools, playgroup assistance and other voluntary services

Community Amenities

To provide services required by the community Rubbish collection and recycling programmes, tip operation, noise control, town planning and storm water drainage maintenance

Recreation and Culture

To establish and manage facilities for the wellbeing of the community Ensure availability of halls, aquatic centre, recreation and sportsgrounds and libraries

Transport

To provide effective infrastructure to the community in the most efficient way Construction and maintenance of roads and bridges and lighting and cleaning of streets

Economic Services

To promote the City and improve its economic base Promotion of tourism and the area together with regulation of building

Other Property and Services

Private works operations, plant repairs and general operations costs

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

3 REVENUE AND EXPENSE
CLASSIFIED BY NATURE

| | <u>2003</u> | <u>2002</u> |
|---|---------------------------|---------------------------|
| | \$ | \$ |
| Revenue | | |
| Rates | 22,843,108 | 21,327,668 |
| Fees and Charges – Local Government property | 8,962,649 | 8,147,976 |
| Contributions | 2,266,767 | 2,716,225 |
| Reimbursements | 236,706 | 167,285 |
| Interest | 1,865,827 | 1,474,517 |
| Grants and Subsidies – Operating | 2,824,949 | 2,602,531 |
| Grants and Subsidies – Capital | 4,085,153 | 4,633,812 |
| Proceeds on Disposal of Fixed Assets | 1,074,018 | 877,000 |
| Other Income | 190,630 | 229,681 |
| Total | <u>\$44,349,807</u> | <u>\$42,176,695</u> |
| Expense | | |
| Employee Costs | 14,406,652 | 12,881,661 |
| Utilities | 1,848,070 | 1,634,703 |
| Insurance | 932,612 | 730,762 |
| Materials and Contracts | 10,798,974 | 10,963,615 |
| Other Expenditure | 1,236,710 | 683,242 |
| Depreciation on Non Current Assets | 6,345,103 | 6,188,859 |
| Net Book Value of Disposed Fixed Assets | 1,218,689 | 943,002 |
| Total | <u>\$36,786,810</u> | <u>\$34,025,844</u> |
| Change in Net Assets Resulting from Operations | <u>\$7,562,997</u> | <u>\$8,150,851</u> |

4 RECONCILIATION OF NET CASH USED IN OPERATING
ACTIVITIES TO CHANGE IN NET ASSETS RESULTING
FROM OPERATIONS

| | <u>2003</u> | <u>2002</u> |
|--|--------------------|--------------------|
| | \$ | \$ |
| Change in net assets resulting from operations | 7,562,997 | 8,150,851 |
| Profit on sale of fixed assets | (162,702) | (69,043) |
| Loss on sale of fixed assets | 307,371 | 135,045 |
| Government revenues | (6,910,102) | (3,682,312) |
| Decrease (Increase) in debtors | (582,669) | (885,019) |
| Depreciation | 6,345,103 | 6,188,859 |
| Increase in provisions | 216,448 | 346,229 |
| Increase (Decrease) in creditors | 1,138,735 | (598,080) |
| Decrease (Increase) in inventory | (38,585) | (33,378) |
| Decrease (Increase) in prepayments | 29,287 | 43,186 |
| Net cash used in operating activities | <u>\$7,905,883</u> | <u>\$9,596,338</u> |

5 SPECIFIED AREA RATES

Specified Area Rates have been raised to cover the additional cost of maintaining the above average standard of landscaping in The Avenues, Lansdowne Park, Sanctuary Waters and Brookland Green housing developments.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

5 SPECIFIED AREA RATES continued

A comparison of actual against estimated net expenditure for this purpose in the 2002/2003 year is as follows:-

| | Estimated | Actual | Surplus (Deficit) |
|------------------|------------------|---------------|------------------------------|
| | \$ | \$ | \$ |
| The Avenues | 116,181 | 103,084 | 13,097 |
| Lansdowne Park | 70,900 | 34,275 | 36,625 |
| Sanctuary Waters | 165,311 | 179,895 | (14,584) |
| Brookland Green | 133,390 | 136,105 | (2,715) |

Surplus amounts have been carried forward into 2003/2004.

6 CASH POSITION

| | <u>2003</u> | <u>2002</u> |
|--------------|---------------------|---------------------|
| | \$ | \$ |
| Unrestricted | 11,779,806 | 10,960,564 |
| Restricted | 19,947,729 | 20,553,426 |
| TOTAL CASH | <u>\$31,727,535</u> | <u>\$31,513,990</u> |

Cash holdings restricted as to use by Council resolution,
regulation or external requirement –

| | | |
|-------------------------------|---------------------|---------------------|
| Reserves | 14,488,044 | 15,626,112 |
| Town Planning Scheme accounts | 5,459,685 | 4,927,314 |
| TOTAL RESTRICTED CASH | <u>\$19,947,729</u> | <u>\$20,553,426</u> |

7 RECEIVABLES

| | <u>2003</u> | <u>2002</u> |
|-------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| <u>CURRENT</u> | | |
| Rates | 1,194,090 | 1,288,721 |
| GST recoverable | 99,198 | 218,895 |
| Contributions | 77,542 | 179,826 |
| Income from property | 352,828 | 157,309 |
| Recreation ground hire | 8,329 | 37,905 |
| Reinstatements | - | 21,525 |
| Insurance | 9,148 | 18,548 |
| Government Grants | 1,933,580 | 1,137,312 |
| Miscellaneous works | 9,819 | 7,572 |
| Firebreaks | 4,901 | 1,912 |
| Interest | 35,629 | 38,680 |
| TPS/ODP and POS Contributions | 2,000 | - |
| Other sundry debtors | 27,397 | 40,855 |
| Sub-total | <u>3,754,461</u> | <u>3,149,060</u> |
| Less - provision for doubtful debts | (113,685) | (99,733) |
| Total current receivables | <u>\$3,640,776</u> | <u>\$3,049,327</u> |
| <u>NON CURRENT</u> | | |
| Pensioners' deferred rates | 664,727 | 655,601 |
| Other sundry debtors | 100,893 | 118,799 |
| Total non current receivables | <u>765,620</u> | <u>774,400</u> |
| Total receivables | <u>\$4,406,396</u> | <u>\$3,823,727</u> |

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

8 (a) STATEMENT OF DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

| PROGRAMME | Net Book Value (Assets Disposed) | | Income (Assets Disposed) | | Profit/(Loss) (Assets Disposed) | |
|-----------------------------|-------------------------------------|--------------------|-----------------------------|--------------------|------------------------------------|--------------------|
| | Budget | Actual | Budget | Actual | Budget | Actual |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Governance | - | - | - | - | - | - |
| Law Order and Public Safety | - | - | - | - | - | - |
| Health | - | - | - | - | - | - |
| Community Amenities | 604,000 | - | 3,048,000 | - | 2,444,000 | - |
| Recreation and Culture | - | - | - | - | - | - |
| Transport | - | - | - | - | - | - |
| Economic Services | - | - | - | - | - | - |
| Other Property and Services | 1,096,560 | 1,218,687 | 819,180 | 1,074,018 | (277,380) | (144,669) |
| TOTALS | \$1,700,560 | \$1,218,687 | \$3,867,180 | \$1,074,018 | \$2,166,620 | (\$144,669) |

8 (b) MOVEMENTS - PROPERTY, PLANT AND EQUIPMENT

| Carried at Cost | Cost 1/7/02 | Additions | Disposals at Cost | Transfers | Cost 30/6/03 |
|-----------------------|-------------------|------------------|--------------------|----------------|-------------------|
| Land | 15,492,061 | 863,419 | - | 715,668 | 17,071,148 |
| Buildings | 34,396,856 | 3,346,492 | (930) | 585,727 | 38,328,145 |
| Plant & Machinery | 10,907,475 | 2,847,089 | (2,538,617) | (91,023) | 11,124,924 |
| Furniture & Equipment | 3,647,096 | 788,554 | (240,188) | (220,721) | 3,974,741 |
| Total | 64,443,488 | 7,845,554 | (2,779,735) | 989,651 | 70,498,958 |

| Carried at Cost | Accum. Depreciation 1/7/02 | Depreciation Expensed 2002/2003 | Accum. Depreciation on Disposals | Transfers | Accum. Depreciation 30/6/03 |
|-----------------------|----------------------------|---------------------------------|----------------------------------|-----------|-----------------------------|
| Land | - | - | - | - | - |
| Buildings | 1,502,972 | 728,370 | - | - | 2,231,342 |
| Plant & Machinery | 2,561,093 | 1,242,206 | (1,330,789) | - | 2,472,510 |
| Furniture & Equipment | 1,358,129 | 438,666 | (232,608) | - | 1,564,187 |
| Total | 5,422,194 | 2,409,242 | (1,563,397) | - | 6,268,039 |

Net Book Value **64,230,919**

8 (c) PROPERTY PLANT AND EQUIPMENT

| | <u>2003</u> | <u>2002</u> |
|---|---------------------|---------------------|
| | \$ | \$ |
| Net Book Value (Assets carried at Cost) | | |
| Land | 17,071,148 | 15,492,061 |
| Buildings | 38,328,145 | 34,396,856 |
| Less : Accumulated Depreciation | (2,231,342) | (1,502,972) |
| Net Book Value | 36,096,803 | 32,893,884 |
| Plant and Machinery | 11,124,924 | 10,907,475 |
| Less : Accumulated Depreciation | (2,472,510) | (2,561,093) |
| Net Book Value | 8,652,414 | 8,346,382 |
| Furniture and Equipment | 3,974,741 | 3,647,096 |
| Less : Accumulated Depreciation | (1,564,187) | (1,358,129) |
| Net Book Value | 2,410,554 | 2,288,967 |
| Total Net Book Value - Property, Plant and Equipment | \$64,230,919 | \$59,021,294 |

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

9 (a) CLASSIFICATION - INFRASTRUCTURE

| | Cost 1/7/02 | Additions | Disposals at Cost | Transfers | Cost 30/6/03 |
|---------------------------|--------------------|------------------|-------------------|------------------|--------------------|
| Carried at Cost | | | | | |
| Roads & Paths | 121,916,163 | 5,336,086 | - | 858,899 | 128,111,148 |
| Bridges | 8,310,707 | 123,880 | - | 160,951 | 8,595,538 |
| Drains | 41,182,826 | 326,684 | - | 941 | 41,510,451 |
| Car Park Development | 2,912,294 | 13,377 | - | 100,937 | 3,026,608 |
| Parks Development | 10,947,468 | 1,601,792 | - | 291,728 | 12,840,988 |
| Play Equipment | 1,505,199 | 88,431 | - | 94,119 | 1,687,749 |
| Street Furniture | 463,967 | - | - | - | 463,967 |
| Other Infrastructure | 1,289,778 | 338,303 | - | - | 1,628,081 |
| Capital Works in progress | 2,497,225 | - | - | (2,497,225) | - |
| Total | 191,025,627 | 7,828,553 | - | (989,650) | 197,864,530 |

| | Accum. Depreciation 1/7/02 | Depreciation expensed 2002/2003 | Accum. Depreciation on Disposals | Transfers | Accum. Depreciation 30/6/03 |
|------------------------|----------------------------|---------------------------------|----------------------------------|-----------|-----------------------------|
| Carried at Cost | | | | | |
| Roads & Paths | 6,042,200 | 2,750,419 | - | - | 8,792,619 |
| Bridges | 307,575 | 153,345 | - | - | 460,920 |
| Drains | 889,921 | 427,897 | - | - | 1,317,818 |
| Car Park Development | 138,937 | 66,012 | - | - | 204,949 |
| Parks Development | 980,702 | 369,966 | - | - | 1,350,668 |
| Play Equipment | 340,438 | 140,859 | - | - | 481,297 |
| Street Furniture | 39,581 | 12,316 | - | - | 51,897 |
| Other Infrastructure | 18,099 | 15,046 | - | - | 33,145 |
| Total | 8,757,453 | 3,935,860 | - | - | 12,693,313 |

Net Book Value \$185,171,217

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

| 9 (b) INFRASTRUCTURE | <u>2003</u> | <u>2002</u> |
|--|---------------------------|---------------------------|
| Net Book Value (Assets carried at Cost) | | |
| Roads and Paths | 128,111,148 | 121,916,163 |
| Less : Accumulated Depreciation | (8,792,619) | (6,042,200) |
| Net Book Value | <u>119,318,529</u> | <u>115,873,963</u> |
| | | |
| Bridges | 8,595,538 | 8,310,707 |
| Less : Accumulated Depreciation | (460,920) | (307,575) |
| Net Book Value | <u>8,134,618</u> | <u>8,003,132</u> |
| | | |
| Drains | 41,510,451 | 41,182,826 |
| Less : Accumulated Depreciation | (1,317,818) | (889,921) |
| Net Book Value | <u>40,192,633</u> | <u>40,292,905</u> |
| | | |
| Car Park Development | 3,026,608 | 2,912,294 |
| Less : Accumulated Depreciation | (204,949) | (138,937) |
| Net Book Value | <u>2,821,659</u> | <u>2,773,357</u> |
| | | |
| Parks Development | 12,840,988 | 10,947,468 |
| Less : Accumulated Depreciation | (1,350,668) | (980,702) |
| Net Book Value | <u>11,490,320</u> | <u>9,966,766</u> |
| | | |
| Play Equipment | 1,687,749 | 1,505,199 |
| Less : Accumulated Depreciation | (481,297) | (340,438) |
| Net Book Value | <u>1,206,452</u> | <u>1,164,761</u> |
| | | |
| Street Furniture | 463,967 | 463,967 |
| Less : Accumulated Depreciation | (51,897) | (39,581) |
| Net Book Value | <u>412,070</u> | <u>424,386</u> |
| | | |
| Other Infrastructure | 1,628,081 | 1,289,778 |
| Less : Accumulated Depreciation | (33,145) | (18,099) |
| Net Book Value | <u>1,594,936</u> | <u>1,271,679</u> |
| | | |
| Capital Work in Progress | - | 2,497,225 |
| | | |
| Total Net Book Value - Infrastructure | <u>185,171,217</u> | <u>182,268,174</u> |

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

10 TOTAL ASSETS

CLASSIFIED BY FUNCTION

| | <u>2003</u> | <u>2002</u> |
|------------------------------|-----------------------------|-----------------------------|
| | \$ | \$ |
| General Purpose Funding | 35,555,560 | 34,634,304 |
| Governance | 3,332,061 | 3,417,636 |
| Law, Order and Public Safety | 231,509 | 271,473 |
| Health | - | 427,139 |
| Welfare and Education | 1,349,928 | 2,343,846 |
| Housing | - | 772,300 |
| Community Amenities | 53,585,369 | 57,388,559 |
| Recreation and Culture | 50,389,729 | 48,215,701 |
| Transport | 119,655,292 | 117,994,771 |
| Economic Services | 154,200 | 274,692 |
| Other Property and Services | 21,602,619 | 11,197,607 |
| TOTAL | <u>\$285,856,267</u> | <u>\$276,938,028</u> |

11 CREDITORS

CURRENT

| | \$ | \$ |
|-----------------------------|--------------------|--------------------|
| Trade Creditors - unsecured | 2,479,685 | 2,998,552 |
| Sundry Creditors | 488,149 | 329,070 |
| Bonds and Retentions | 528,067 | 1,097,796 |
| Accruals | 1,477,226 | 599,468 |
| Income received in advance | 220,522 | 171,755 |
| Total current creditors | <u>\$5,193,649</u> | <u>\$5,196,641</u> |

NON CURRENT

| | | |
|-----------------------------|---------------------------|---------------------------|
| Bonds and Retentions | 2,211,147 | 1,084,978 |
| Sundry Creditors | 120,277 | 104,719 |
| Total non current creditors | <u>\$2,331,424</u> | <u>\$1,189,697</u> |
| Total creditors | <u><u>\$7,525,073</u></u> | <u><u>\$6,386,338</u></u> |

12 PROVISION FOR EMPLOYEE BENEFITS

The provision for Employee Benefits is made up as follows:

CURRENT

| | | |
|--------------------------|--------------------|--------------------|
| Annual Leave | 1,507,617 | 1,419,921 |
| Long Service Leave | 1,265,758 | 1,204,647 |
| Total current provisions | <u>\$2,773,375</u> | <u>\$2,624,568</u> |

NON CURRENT

| | | |
|------------------------------|---------------------------|---------------------------|
| Long Service Leave | 326,290 | 258,649 |
| Total non current provisions | <u>\$326,290</u> | <u>\$258,649</u> |
| Total provisions | <u><u>\$3,099,665</u></u> | <u><u>\$2,883,217</u></u> |

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

13 CONDITIONS OVER CONTRIBUTIONS

- a) All grants which were recognised as revenues during the reporting period and which were obtained on prescribed conditions for expenditure had been applied in that manner as at the reporting date.
- b) Contributions for works within gazetted Town Planning Schemes together with contributions towards Public Open Space yet to be applied in the specified manner as at the reporting date were:-

| | <u>2003</u> | <u>2002</u> |
|---|--------------------|--------------------|
| | \$ | \$ |
| Town Planning Scheme accounts (Note 15) | 5,459,685 | 4,927,314 |
| Public Open Space Reserve (Note 14) | 1,616,604 | 1,600,597 |
| | <u>\$7,076,289</u> | <u>\$6,527,911</u> |

14 DETAILS OF CASH BACKED RESERVES

| PARTICULARS | Account | Balance B/Fwd 1/7/2002 | | Allocation from General Revenue | | Interest Received | Equity Transfers | Reserves Utilised | | Balance 30/6/2003 | | Anticipated Usage Time |
|---|----------|------------------------|---------------------|---------------------------------|--------------------|-------------------|------------------|----------------------|----------------------|---------------------|---------------------|------------------------|
| | | Est. Actual \$ | Actual \$ | Budget \$ | Actual \$ | Actual \$ | Actual \$ | Budget \$ | Actual \$ | Budget \$ | Actual \$ | |
| MGB Plant & Equipment | 9.91.903 | 1,313,757 | 1,205,521 | 33,377 | - | 32,535 | - | (754,000) | (659,679) | 593,134 | 578,377 | 2 years |
| Leisure World Mechanical Plant Services | 9.91.908 | 252,212 | 251,735 | 13,241 | 17,000 | 12,237 | - | (30,000) | (40,462) | 235,453 | 240,510 | 2 years |
| Netball Courts Resurfacing | 9.91.909 | 25,777 | 25,729 | 1,353 | - | 1,216 | - | - | - | 27,130 | 26,945 | 3 years |
| Performing Arts Centre | 9.91.910 | 8,663 | 8,646 | 455 | 20,088 | 617 | - | - | - | 9,118 | 29,351 | 3 years |
| Waste Disposal Site Development | 9.91.911 | 4,361,271 | 4,353,019 | 228,967 | - | 205,778 | - | - | - | 4,590,238 | 4,558,797 | 2 years |
| Refuse Disposal Site Rehabilitation | 9.91.912 | 802,683 | 1,103,419 | 92,121 | - | 38,459 | - | (275,000) | (475,953) | 619,804 | 665,925 | 2 years |
| Hillside Farm Equipment | 9.91.916 | 1,447 | 1,444 | 76 | - | 68 | - | - | - | 1,523 | 1,512 | 1 year |
| Insurance | 9.91.917 | 543,003 | 543,057 | 28,550 | - | 24,062 | - | - | (55,204) | 571,553 | 511,915 | 3 years |
| Southern River Contaminated Site | 9.91.918 | 1,066,477 | 1,070,945 | 232,076 | 479,086 | 37,348 | (400,000) | (425,000) | (25,000) | 873,553 | 1,162,379 | 2 years |
| Building Construction | 9.91.921 | 283,507 | 275,463 | 14,884 | - | 13,076 | - | - | - | 298,391 | 288,539 | 2 years |
| Marketing & Public Relations | 9.91.922 | 45,518 | 35,458 | 2,625 | - | 1,676 | - | - | - | 48,143 | 37,134 | To Close |
| AMSCC Bus | 9.91.923 | 8,077 | 10,049 | 470 | 2,274 | 515 | - | - | - | 8,547 | 12,838 | To Close |
| AMSCC Plant & Equipment | 9.91.924 | 16,311 | 13,586 | 856 | - | 642 | - | - | - | 17,167 | 14,228 | To Close |
| Local Government Elections | 9.91.926 | 65,264 | 65,256 | 3,426 | - | 2,766 | - | (68,690) | (68,023) | - | (1) | 2 years |
| Rate Revaluation | 9.91.927 | 1,400 | 1,239 | 28,073 | 28,000 | 59 | - | - | - | 29,473 | 29,298 | 2 years |
| Gosnells Town Centre Revitalisation | 9.91.928 | 2,388,393 | 2,393,711 | 66,827 | - | 68,082 | (794,000) | (2,432,392) | (563,106) | 22,828 | 1,104,687 | 2 years |
| Plant & Equipment | 9.91.929 | 2,054,389 | 1,950,111 | 1,436,837 | 1,281,772 | 36,971 | (1,028,000) | (2,387,370) | (1,080,542) | 1,103,856 | 1,160,312 | Ongoing |
| Walter Padbury Park | 9.91.930 | 77,190 | 68,724 | 38,230 | 26,820 | 3,903 | - | - | - | 115,420 | 99,447 | 2 years |
| National Competition Policy | 9.91.931 | 70,484 | 70,351 | 3,700 | - | 3,326 | - | - | - | 74,184 | 73,677 | To Close |
| Sutherlands Park Lighting | 9.91.932 | 57,250 | 32,880 | 26,709 | 37,243 | 2,514 | - | - | - | 83,959 | 72,637 | 2 years |
| Maddington Golf Course | 9.91.933 | 25,931 | 11,082 | 15,142 | 15,014 | 606 | - | - | (15,000) | 41,073 | 11,702 | 2 years |
| Administration Building Construction | 9.91.935 | 223,257 | 222,835 | 1,641 | - | 2,409 | (192,000) | (212,000) | (20,000) | 12,898 | 13,244 | 4 years |
| Payment in Lieu of POS | 9.91.936 | 1,619,925 | 1,600,596 | 408,046 | 212,775 | 80,442 | - | (25,000) | (277,209) | 2,002,971 | 1,616,604 | Ongoing |
| Maddington/Kenwick Strategy | 9.91.937 | 311,846 | 311,256 | 16,372 | - | 14,714 | - | - | - | 328,218 | 325,970 | 3 years |
| Civic Complex | 9.91.938 | - | - | 5,273,899 | - | 92,604 | 2,414,000 | (3,348,290) | (660,300) | 1,925,609 | 1,846,304 | 1 Year |
| Mills Park | 9.91.939 | - | - | - | 5,625 | 88 | - | - | - | - | 5,713 | 2 years |
| TOTALS | | \$15,624,032 | \$15,626,112 | \$7,967,953 | \$2,125,697 | \$676,713 | \$0 | (\$9,957,742) | (\$3,940,478) | \$13,634,243 | \$14,488,044 | |

15 DETAILS OF TOWN PLANNING SCHEMES & OUTLINE DEVELOPMENT PLANS

| PARTICULARS | Account | Balance B/Fwd 1/7/2002 | | Allocation from General Revenue | | Interest Received | Reserves Utilised | | Balance 30/6/2003 | |
|--|----------|------------------------|------------------|---------------------------------|------------------|-------------------|--------------------|--------------------|-------------------|------------------|
| | | Est. \$ | Actual \$ | Budget \$ | Actual \$ | Actual \$ | Budget \$ | Actual \$ | Budget \$ | Actual \$ |
| (a) Town Planning Schemes | | | | | | | | | | |
| Town Planning Scheme No. 7 | 9.93.940 | 53,547 | 133,731 | 2,811 | - | 4,684 | - | (68,538) | 56,358 | 69,877 |
| Town Planning Scheme No. 9A | 9.93.941 | 973,422 | 954,910 | 56,905 | 89,656 | 49,658 | - | - | 1,030,327 | 1,094,224 |
| Town Planning Scheme No. 10 | 9.93.942 | 82,249 | 209,263 | 4,318 | - | 8,146 | - | (103,121) | 86,567 | 114,288 |
| Town Planning Scheme No. 15 | 9.93.943 | 769,355 | 794,477 | 105,451 | 40,840 | 39,265 | (124,000) | (92,708) | 750,806 | 781,874 |
| Town Planning Scheme No. 17 | 9.93.944 | 887,796 | 815,491 | 80,309 | 34,125 | 42,227 | (450,000) | (82,769) | 518,105 | 809,074 |
| Town Planning Scheme No. 20 | 9.93.945 | 229,792 | 233,051 | 17,298 | 5,024 | 12,143 | (3,000) | (3,000) | 244,090 | 247,218 |
| Total Town Planning Schemes | | 2,996,161 | 3,140,923 | 267,092 | 169,645 | 156,123 | (577,000) | (350,136) | 2,686,253 | 3,116,555 |
| (b) Outline Development Plans | | | | | | | | | | |
| Canning Vale ODP | 9.93.950 | 1,943,507 | 998,570 | 728,096 | 521,935 | 65,846 | (1,932,000) | (29,220) | 739,603 | 1,557,131 |
| POS for Canning Vale ODP | 9.93.951 | - | 787,821 | - | 376,618 | 19,936 | - | (680,590) | - | 503,785 |
| Southern River Precinct 5 ODP | 9.93.952 | - | - | - | 276,195 | 6,019 | - | - | - | 282,214 |
| Total Outline Development Plans | | 1,943,507 | 1,786,391 | 728,096 | 1,174,748 | 91,801 | (1,932,000) | (709,810) | 739,603 | 2,343,130 |
| TOTAL TOWN PLANNING SCHEMES & OUTLINE DEVELOPMENT PLANS | | | | | | | | | | |
| Town Planning Schemes | | 2,996,161 | 3,140,923 | 267,092 | 169,645 | 156,123 | (577,000) | (350,136) | 2,686,253 | 3,116,555 |
| Outline Development Plans | | 1,943,507 | 1,786,391 | 728,096 | 1,174,748 | 91,801 | (1,932,000) | (709,810) | 739,603 | 2,343,130 |
| TOTAL of (a) & (b) | | 4,939,668 | 4,927,314 | 995,188 | 1,344,393 | 247,924 | (2,509,000) | (1,059,946) | 3,425,856 | 5,459,685 |

As at 30 June 2003 City of Gosnells administers six Town Planning Schemes and two Outline Development Plans for the purpose of ensuring proper development of particular areas within the district.

The total equities in the schemes and plan should accrue to City of Gosnells over the life of the schemes through provision of improved public facilities within the scheme areas including road works, drainage, and recreation facilities.

It is not possible to accurately estimate the completion time of the schemes which will be contingent on economic factors and demand in regard to sub division of land.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

16 TRUST FUNDS

Funds over which City of Gosnells does not exercise control and which are therefore not included in the financial statements are as follows -

| Details | Balance B/Fwd 1/07/2002 | Receipts 2002/2003 | Payments 2002/2003 | Balance 30/06/2003 |
|-------------------|-------------------------------|-----------------------|-----------------------|-----------------------|
| Unclaimed monies | \$ - | \$ 3,665 | \$ - | \$ 3,665 |
| B.C.I.T.F. Levies | 19,140 | 306,162 | 289,020 | 36,282 |
| | <u>\$19,140</u> | <u>\$309,827</u> | <u>\$289,020</u> | <u>\$39,947</u> |

17 COMMITMENTS FOR CAPITAL EXPENDITURE AND CONTINGENT LIABILITIES

At the reporting date, the City of Gosnells has not entered into any commitments for capital expenditure that are not funded by expenditure Carry Forward requests.

18 COUNCILLOR ALLOWANCES AND FEES

i) In accordance with section 5.98 (2) of the Local Government Act, 1995 Councillors, including the Mayor, were entitled to receive reimbursement of approved expenses incurred in connection with the performance of Councillor related duties.

Expenses reimbursed in accordance with this section in 2002/2003 are as follows:

| | <u>2003</u> | <u>2002</u> |
|---------------------------|---------------|---------------|
| | \$ | \$ |
| Travel | 13,516 | 11,306 |
| Telephone | 18,000 | 12,083 |
| Total expenses reimbursed | <u>31,516</u> | <u>23,389</u> |

ii) In accordance with section 5.98 (1) of the Local Government Act, 1995 Councillors are entitled to fees for attending Council and committee meetings. During 2002/2003, the City of Gosnells paid \$78,000 (\$76,500 in 2001/2002) to Councillors as meeting fees.

iii) In accordance with section 5.98 (5) of the Local Government Act, 1995 the Mayor of the City was allocated the sum of \$10,600 (\$10,600 in 2001/2002) as an allowance during the 2002/2003 financial year, and the Deputy Mayor was allocated an allowance of \$1,590 during the 2002/2003 year (\$1,590 in 2001/2002).

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

| 19 <u>FINANCIAL RATIOS</u> | <u>2003</u> | <u>2002</u> |
|--|-------------|-------------|
| a) Current Ratio | | |
| <i>Purpose:</i> | | |
| To assess ability to meet current commitments | 197.05% | 182.20% |
| b) Debt Ratio | | |
| <i>Purpose:</i> | | |
| To identify the exposure of the City to debt, as an indicator. of the "solvency" of the City | 3.71% | 3.35% |
| c) Debt Service Ratio | | |
| <i>Purpose:</i> | | |
| To assess the capacity of the City to meet total debt commitments from operating revenue. | NIL | NIL |
| d) Rate Coverage Ratio | | |
| <i>Purpose:</i> | | |
| To assess dependence on rate income. | 52.89% | 51.55% |
| e) Outstanding Rates Ratio | | |
| <i>Purpose:</i> | | |
| To assess the impact of uncollected rates on liquidity. and of the adequacy of recovery efforts | 5.20% | 5.62% |

20 FEES AND CHARGES

Total revenues raised from fees and charges on a programme basis were :-

\$

| | |
|-----------------------------|-----------|
| Community Amenities | 4,721,517 |
| Recreation & Culture | 2,071,826 |
| Economic Services | 935,023 |
| General Purpose Funding | 362,790 |
| Other Property and Services | 228,552 |
| Law, Order & Public Safety | 227,829 |
| Welfare and Education | 226,903 |
| Health | 104,590 |
| Governance | 55,067 |
| Transport | 28,552 |
| | 8,962,649 |
| | 8,962,649 |

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

21 DISCOUNTS, INCENTIVES, WAIVERS AND CONCESSIONS

a) Discounts

No discounts were allowed during the current year in respect of the payment of rates or fees.

b) Incentives

One prize of \$3,000, one prize of \$2,000, and seven prizes of \$1,000 drawn by random selection were provided by the City of Gosnells for ratepayers, with eligibility limited to those property owners who paid their rates, charges and arrears by the due date.

c) Waivers and Concessions

Agricultural concession:

A 20% rates concession was allowed to approved property owners who reside on the property and derive their livelihood from conducting certain farming activities on the property.

The concession is provided to compensate these categories of property owners against the impact of increasing land values associated with expanding urban development.

d) Interest charges for late payment of rates

Effective from the due date of the second rates instalment under the instalment option, interest at the rate of 10% per annum was charged on all arrears of rates on a daily basis.

Total revenue from the imposition of this charge in 2002/2003 was \$132,747 (\$160,775 in 2001/2).

e) Instalment options - rates

An option was provided to pay current year rates in four equal instalments at intervals of two months, with the first instalment due 35 days after the date of issue of the rates notice.

To participate in the instalment option, all arrears of rates together with the first instalment had to be paid by the due date.

A fee of \$7 was imposed for participation in the instalment option.

22 INVESTMENTS

Money held surplus to need from time to time was invested in cash securities resulting in interest income earned from investments as follows:-

| | <u>2003</u> | <u>2002</u> |
|-----------------------|------------------|------------------|
| | \$ | \$ |
| Reserves | 676,713 | 635,598 |
| Town Planning Schemes | 247,924 | 170,350 |
| Other | 941,190 | 668,568 |
| TOTAL | 1,865,827 | 1,474,516 |

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

23 FINANCIAL INSTRUMENTS

a) Terms, conditions and accounting policies

City of Gosnells' accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at the balance date, are as follows:

| <u>Financial Instrument</u> | <u>Accounting policies</u> | <u>Terms and conditions</u> |
|---------------------------------------|---|---|
| 1) Financial Assets | | |
| Receivables - Rates | <p>Rates debtors, including amounts due for domestic rubbish collection, and swimming pool inspection fees, are carried at their levied amounts plus penalty interest on overdue payments at a percentage determined by Council up to a prescribed maximum, less provision for doubtful debts.</p> <p>A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.</p> <p>Pensioners' deferred rates are carried at their original levy amounts less any payments received.</p> | <p>Rates and charges are due on set dates decided by Council on adoption of the annual budget and in accordance with the provisions of the Local Government Act 1995.</p> <p>Council receives a grant from the State Revenue Department calculated on a percentage basis in respect of rates deferred by eligible pensioners.</p> |
| Other | <p>Other debtors are carried at nominal amounts, less provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.</p> | <p>Credit is extended on the basis of 30 days terms.</p> |
| 2) Financial Liabilities | | |
| Sundry creditors and accrued expenses | <p>Liabilities are recognised for amounts to be paid in the future for goods and services actually received by Council as at the reporting date whether billed or not.</p> | <p>Creditor invoices are normally paid within 30 days following the end of the month in which they are received. Emergency payments may be made on an ad hoc basis as required.</p> |
| Bonds and retentions | <p>Council requires payment of bonds in respect of various activities including the hire of Council property, and construction work where there is a possibility of damage to Council property.</p> | <p>Bonds are either refunded on conclusion of the subject activity or utilised to the extent necessary to make any necessary restitution or completion of works.</p> |

FINANCIAL INSTRUMENTS (continued)

(b) Interest rate risk

City of Gosnells' exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows;

| Financial Instrument | Floating Interest rate | | Fixed interest rates maturing in : | | | | Non - interest bearing | | Total carrying amount as per the balance sheet | | Weighted average effective interest rate | |
|--|------------------------|------------|------------------------------------|------------------------------|---------------------------------|---------------------------------|------------------------|------------|--|------------|--|-----------|
| | 2003 \$ | 2002 \$ | 1 year or less 2003 \$ | 1 year or less 2002 \$ | More than 5 years 2003 \$ | More than 5 years 2002 \$ | 2003 \$ | 2002 \$ | 2003 \$ | 2002 \$ | 2003 % | 2002 % |
| 1) Financial Assets | | | | | | | | | | | | |
| Cash | 31,719,975 | 31,503,980 | | | | | 7,560 | 10,010 | 31,727,535 | 31,513,990 | 4.98% | 4.77% |
| Receivables - Pensioners' deferred rates | | | 664,727 | 655,601 | | | | | 664,727 | 655,601 | 5.90% | 5.90% |
| Receivables - Rates | | | | | | | 1,194,090 | 1,288,721 | 1,194,090 | 1,288,721 | | |
| Receivables - Other | | | | | | | | | 0 | 0 | | |
| Total financial assets | 31,719,975 | 31,503,980 | 664,727 | 655,601 | | | 1,201,650 | 1,298,731 | 33,586,352 | 33,458,312 | | |
| 2) Financial Liabilities | | | | | | | | | | | | |
| Sundry creditors & accrued expenses | | | | | | | 4,785,859 | 4,203,564 | 4,785,859 | 4,203,564 | | |
| Bonds and retentions | | | | | | | 2,739,214 | 2,182,774 | 2,739,214 | 2,182,774 | | |
| Total financial liabilities | | | | | | | 7,525,073 | 6,386,338 | 7,525,073 | 6,386,338 | | |

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

(c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows:

| | Total carrying amount as per the balance sheet | | Aggregate net fair value | |
|--|--|------------|--------------------------|------------|
| | 2003 \$ | 2002 \$ | 2003 \$ | 2002 \$ |
| 1) Financial assets | | | | |
| Cash | 31,727,535 | 31,513,990 | 31,727,535 | 31,513,990 |
| Receivables - Pensioners' deferred rates | 664,727 | 655,601 | 664,727 | 655,601 |
| Receivables - Rates (other) | 1,194,090 | 1,288,721 | 1,194,090 | 1,288,721 |
| Receivables - Other | 2,547,579 | 1,879,405 | 2,547,579 | 1,879,405 |
| Total financial assets | 36,133,931 | 35,337,717 | 36,133,931 | 35,337,717 |
| 2) Financial liabilities | | | | |
| Sundry creditors and accrued expenses | 4,785,859 | 4,203,564 | 4,785,859 | 4,203,564 |
| Bonds and retentions | 2,739,214 | 2,182,774 | 2,739,214 | 2,182,774 |
| Total financial liabilities | 7,525,073 | 6,386,338 | 7,525,073 | 6,386,338 |

The following methods are used to determine the net fair values of financial assets and liabilities:

(i) Cash and cash equivalents

The carrying amounts approximate fair value because of their short term to maturity.

(ii) Receivable and payables

The carrying amounts approximate fair value.

(iii) Loan Liability

The carrying amounts approximate fair value.

(iv) Bonds and retentions

The carrying amounts approximate fair value.

(d) Credit risk exposure

City of Gosnells' maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

CITY OF GOSNELLS
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 30 June 2003

24 MAJOR LAND TRANSACTIONS

Development of land -
Part share 100/Pt. 1677 Balfour Street, Huntingdale.
The City has not progressed the development of this land in 2002/3
There was no expenditure during the year on this project.

The sale of Lot 1363, Location 976 and
Lot 1582 Harpenden Street, Huntingdale
are the subject of a Contract for Sale and
Development between the City and
Southern Forest Development Pty Ltd.

25 SUPERANNUATION

In addition to its responsibilities under the Superannuation Guarantee Levy Legislation, City of Gosnells contributes to the Local Government Superannuation Scheme in proportion to contributions to the scheme made by employees.

The maximum contribution rate by City of Gosnells is set at 14% inclusive of the Superannuation Guarantee Levy component (9% for 2002/3)

The amount of superannuation contributions paid by City of Gosnells in 2002/3 was \$2,010,033 (\$1,772,890 in 2001/02).



CITY OF GOSNELLS

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

STATEMENT BY ACTING CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Gosnells, being the annual financial report and supporting notes and other information for the financial year ended 30 June 2003, are in my opinion properly drawn up to present fairly the financial position of the City of Gosnells at 30 June 2003 and the results of the operations for the financial year then ended are in accordance with the Australian Accounting Standards (except to the extent that these have been varied in the Statement of Accounting Policies required by Australian Accounting Standard AAS 6 "Accounting Policies" and the accompanying notes to the annual financial report) and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 16th day of October 2003.

RON BOUWER
ACTING CHIEF EXECUTIVE OFFICER